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INDUSTRIAL PRODUCTION FIGURES

Product	Jan-Apr 1987 of 1986	Jan-Apr 87 as % % of 86
Electricity (b.kw.hrs)	590	104%
Petroleum (inc. gas cond.)(mil. metric tons)	204	103
Nat. Gas (b.cu.mtr)	242	106
Coal (mil. metric tons)	261	101
Steel (mil. metric tons)	53.7	100.5
Fertilizer (mil.tons)	12.1	103
Metal-cutting tools (mil. rubles)	934	98
Robots (1000 units)	4.8	99
Computer Technology (bil. rubles)	1.6	105
Tractors (mil. hp)	17.8	95
Paper (mil. metric tons)	1.9	103
Cement (mil. metric tons)	44.7	101
Meat (mil. metric tons)	3.8	107%
Margarine (1000 tons)	na	na
Watches (mils)	na	na
Radios (mils)	2.7	88
TV sets (mils)	2.7	85
Automobiles (1000s)	445	99.8

LIVESTOCK HERDS
(in millions)

	May 1 86	May 1 87	% Change
Cattle	99.9	98.8	98.9%
Cows	29.3	29.1	99.3
Hogs	58.9	59.	100.2
Sheep & Goats	146.5	145.5	99.3
Chickens	802.2	818.3	102.

PRODUCTION FIGURES FOR THE FIRST FOUR MONTHS OF 1987

The quality inspection program continues to create problems for some industries. Those factories making consumer goods, for example, appear to

be failing to produce as much as they did last year. It is more likely that they are producing the goods, but inferior goods are being rejected, and therefore not being counted in the production totals. The quality inspection program, when added to the impact of the very cold January, results in a large number of industries failing to meet their targets.

The results are not as bad in the more basic industries. In fact, in some cases the results are good. In electricity, for example, production is up 6% in April 1987, compared to 1986. For the whole four months, including the very frigid January, production is up 4%. The impressive improvement in April is probably due to the fact that at the end of April 1986, the explosion at Chernobyl occurred and this disrupted electrical generation in the Soviet Union.

In other major industries: oil production is up in April 1987 over 1986, but because of rounding numbers, it is difficult to tell exactly how much of an increase was achieved. The increase is between 1 and 2%. Similarly, the gas industry produced 5% more in April 1987 and the coal industry 2% more. In those industries, as well as steel, Gorbachev is not doing too badly.

Some new problems seem to have developed, however, with the livestock herds. The weather in the Soviet Union has been peculiar this whole four month period; not only was it cold in January, but there was some flooding in the spring. This apparently had an impact on the size of the livestock herds. Whereas the cattle herd on April 1, 1987, when compared to April 1, 1986, was up slightly, on a May to May comparison, it is down over 1%. Similarly, the sheep and goat herd is down compared to May 1, 1986, while on an April to April basis, things were not as bad. Offsetting that, however, is the fact that the poultry flock is up, on a May 1, 1987 to May 1, 1986 comparison, while on an April 1 to April 1 basis, they were down compared to what they were in 1986.

SOVIET BALANCE OF TRADE WITH EASTERN EUROPE

The Soviets have published the foreign trade figures with the East European satellites. Overall, the trade surplus the Soviets have incurred with Eastern Europe has increased. This undoubtedly is not to their liking. Some indication of this is that on his recent visits to Eastern Europe, Gorbachev has complained that the East Europeans are not exporting enough good quality products to the Soviet Union. As a consequence, for example, the Soviet Union's trade surplus with Romania is up 100 million rubles compared to 1985. The largest increase in the Soviet Union's surplus occurred with the German Democratic Republic. Whereas in 1985, the Soviet Union had 100 million ruble surplus, in 1986 that increased to over 700 million rubles.

On the bright side, from the Soviet Union's point of view, its trade surplus with Poland diminished slightly. In 1985, the Soviets had close to a billion ruble surplus. In 1986, that was reduced to slightly less than 700 million rubles. The only country that exports more to the Soviet Union than it imports is Hungary. In 1985, Romania also exported more to the Soviet Union than it imported. However, reflecting the difficulties Romania has experienced, in 1986 the Soviet Union had a trade surplus with Romania of close to 400 million rubles.

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THE RUSSIAN RESEARCH CENTER takes no official stand on any economic or political trend. The views and analyses expressed in this Newsletter are those of the authors directly associated with the article, or unless otherwise stated, with those of the editors, Marshall I. Goldman and Catherine Reed. RRC @ 1986

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SOVIET BALANCE OF TRADE WITH EASTERN EUROPE
(in million rubles)

	Exports from U.S.S.R.							Imports to U.S.S.R.						
	1980	1981	1982	1983	1984	1985	1986	1980	1981	1982	1983	1984	1985	1986
Bulgaria	3660	4375	4885	5511	6124	6435	6788	3439	3697	4288	5053	5608	6040	6191
Czecho-slovakia	3648	4382	5048	5872	6591	6813	6947	3536	4105	4732	5420	6017	6587	6556
GDR	4873	5526	6420	6798	7481	7652	7880	4327	5155	5776	6596	7367	7553	7128
Hungary	2982	3307	3707	4058	4321	4560	4678	2757	3300	3746	4007	4434	4850	4873
Poland	4406	4931	4813	5274	6069	6517	6814	3596	3221	4097	4787	5297	5525	6128
Romania	1350	1779	1424	1640	1807	1949	2823	1441	1673	1683	1665	1755	2277	2415
	20,919	24,300	26,297	29,153	32393	33,926	35930	19096	21,151	24,322	27,528	30,478	32,832	33291
Balance of Trade								+1823	+3149	+1975	+1625	+1915	+1094	+2639

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The Los Angeles Times
Tuesday, June 2, 1987

Resistance Alters Gorbachev's Tune

By MARSHALL I. GOLDMAN

No one ever promised Mikhail S. Gorbachev that reforming the Soviet Union would be easy. Opposition to his effort to establish joint ventures with foreign ownership indicates just how difficult his task is. The more far-reaching the change, the more determined the resistance becomes. At the same time, the further Gorbachev goes, the more those in favor of reform want him to go even further.

Evidently all this is beginning to wear on Gorbachev. He has begun to deny publicly that he has political opposition; instead, he suggests, some of the doubts about the ultimate success of his reforms are inventions of Western Sovietologists.

Because it seemed like the fastest and cheapest way to transfer and keep abreast of advanced technology, Gorbachev decided to reverse almost 50 years of Soviet dogma and authorize the formation of joint ventures with capitalist corporations. In the past the Soviet Union purchased technology outright. But, more often than not, this costly technology was used poorly. Equally distressing, Soviet engineers found it difficult to upgrade their newly acquired technology so that it kept pace with advances in the outside world. To Gorbachev, it made sense to allow foreigners to acquire up to 49% ownership interest in such projects. This way the foreigners, not the Soviets, would pay for the technology, and as continuing owners they would do all that they could to ensure that it kept pace with technology in the West.

Unfortunately for Gorbachev, it is not enough just to issue a decree authorizing joint ventures, as he did in January. There are major issues to overcome before these joint ventures come into being. For example, before Western investors commit themselves, they must know that they will be able to have control over quality, to import needed machinery and components, to select quality workers and components from within the Soviet Union at a reasonable cost and to repatriate their profits in Western currency.

It turns out that the Soviet side has similar concerns, and they are being pressed by those who oppose joint ventures because it seems to involve the reintroduction of capitalism to the Soviet Union—an ideological heresy—as well as by those who fear that the capitalists will take advantage of the Soviet Union and exploit it. As these officials see it, the capitalists are not interested in increasing Soviet exports; all they want is access to the Soviet domestic market and its cheap labor for their low technology. If this is all that will result from joint ventures, these Soviet bureaucrats worry, some day they will be the ones ultimately held accountable, particularly if Gorbachev should change his mind about the wisdom of joint ventures or even if Gorbachev should pass from the scene.

Just such concerns evidently explain why Yuri Dryomov, the newly appointed head of the Joint Venture Department in the Ministry of Foreign Trade, wrote an article in the English-language Moscow News that did all that it could to sabotage some of the most promising joint-venture initiatives. It was like discovering that the fire chief is an arsonist. Dryomov had virtually nothing positive to say about the joint ventures proposed so far. Instead, he attacked specific Japanese and Western proposals because, as he saw it, they involved low and obsolete, not high and advanced, technology. If they had their way, he wrote, the Japanese would involve the Soviet Union in making vinegar from rice and yogurt from soybeans, which is neither very important for the Soviet Union nor exportable.

Dryomov went on to complain that some Western companies wanted to foist chemical herbicides on the Soviet Union while the Western world was switching to biological means of crop protection. But his most savage attack was on an unnamed manufacturer of copying machines. He accused the manufacturer of trying to dump obsolete technology onto the Soviet Union while compelling the government to build an equally obsolete special paper-producing factory that would cost the country half a billion dollars.

What makes this criticism more interesting than usual is that, as part of the *glasnost* policy, the copying machine company, which turned out to be Britain's Rank Xerox, was given a chance to counterattack in a long interview in a subsequent edition of the same newspaper. Both the article and its editorial tone left Dryomov looking like a petty, ill-informed, old-fashioned obstructionist.

If Gorbachev is to succeed, he must win over his bureaucrats and induce them to show initiative. He knew that he would face opposition, and for months he spoke openly of it. But now he seems to sense that the opposition is more entrenched than he anticipated. This may explain why he has contradicted himself lately, acknowledging that there is resistance to his reform effort but denying that he has political opposition.

In seeking a scapegoat for the lack of progress, Gorbachev has begun to blame outsiders. In a remarkable speech earlier last month he complained that some Sovietologists in the West "want to sow doubt regarding the practicability of our plans." These Sovietologists, Gorbachev charged, seek to sabotage Soviet efforts at reform by asserting that "restructuring in our country is a half-measure, that it is not revolutionary enough, not effective enough."

Gorbachev is correct. Most Sovietologists do feel that his program has so far not been effective enough. The incident with Rank Xerox illustrates the point. If those selected to implement his reforms obstruct them, his efforts are doomed. Glasnost will help to unmask the problem, but in itself will not solve it.

Marshall I. Goldman, author of the just-published "Gorbachev's Challenge: Economic Reform in the Age of High Technology" (W. W. Norton), is a professor of economics at Wellesley College and the associate director of the Russian Research Center at Harvard.

Way to a Shortage—What to Do Now?

KGB spy could make it in the Amerikan she was bimbo-ized.

Vanna White's autobiography was on the bimbos had become major role models for erywhere. Girls who once might have s of becoming an astronaut or a candidate dent began to look beyond these limited nly every girl wanted to grow up to be a er turner!

ands of Americans bought "Vanna Speaks," tion from the "Wheel of Fortune" teller way to "60 Minutes" and People magazine. d the secrets of her success: "My beauty to do a little something for yourself every in, this means getting into good habits like ll your cuticles (fingers and toes) in the orning." They learned that Vanna's road to st perfect attendance in grammar school or thes in cold water, but actual talent. "I was Merv thought I turned the letters better e."

ad been paying a little attention, we would hat sometime in the late wilting summer ere the first intimations of a bimbo short- turned out to be a perishable commodity lf life. The media kept needing new ones.

At first we tried expanding the pool of potential candidates. An article appeared in Glamour asking the question, "Can You Be a Bimbo if You Are Flat-Chested?" and answering, "Yes! With a few fashion do's and don'ts." Another appeared in Harper's Bazaar entitled "Can You Be a Bimbo Over 40? Breaking the Barrier!"

Ms. magazine chimed in with a think piece entitled "The Matriarchal Roots of Bimbohood." By Thanksgiving there was a spate of articles by academic researchers about the dilemmas of professional bimbos facing the biological clock. The cover in Newsweek read "Bimbo or Bambino? Choices Women Face Today!"

Despite all our recruiting, it turns out that there were only so many women who could take themselves frivolously for so long. The sheer discipline that it required to have absolutely no thoughts in your head was finally daunting. How many could push their cuticles—fingers and toes—back every single morning, including Sundays?

Around Christmas time there were reports in Variety of "Bimbo Biz Bombing." Now the very same media moguls who found the bimbo such a handy way to meet their female quota have decided to meet together in urgent sessions to deal with the shortage. What to do? What to do?

Will the media have to—gasp!—take women seriously?

Ellen Goodman writes a syndicated column in Boston.